



THE REAL ESTATE MANAGEMENT PLAN

Guiding Real Estate Development on Montana's School Trust Lands

In 2005, the DNRC's Real Estate Management Bureau completed a statewide Final Programmatic Environmental Impact Statement (FEIS) that serves as the Real Estate Management Plan (Plan) for policy, direction, and guidance in the selection and management of real estate development on School Trust Lands. The Plan covers those activities related to the leasing, exchanging, or selling of School Trust lands for residential, commercial, industrial, and conservation purposes. The DNRC adopted administrative rules to implement the Plan in December 2008.

The Plan's Three Goals

1. **Share in Expected Community Growth.** The DNRC seeks to bring School Trust Lands an appropriate share of the growth occurring in a given community during a given period.
2. **Plan Proactively.** The DNRC engages and complies with local growth policies and land use regulations to ensure development of School Trust Lands meets community expectations and fully involves the public, while at the same time balancing the DNRC's obligation to obtain the greatest benefit for the beneficiaries.
3. **Maximize Revenue for the Trust Beneficiaries.** The DNRC actively strives to improve School trust Land value by bringing entitlements to specific School Trust Lands identified for development; by maximizing the intensity and density of development per acre; and by developing properties to those uses with the highest rates of return.

Land Development for Lease, License, and Easement

As specified in the Plan, the DNRC will target lands with a **high suitability** according to a formal analysis process. Analysis will consider numerous factors such as environmental conditions, proximity to infrastructure and other development, market trends, local land use regulations, community and beneficiary input and expected income.

In general, development will be located in areas of market growth, and **within or in close proximity to incorporated jurisdictions**. To meet the mandate for maximum financial return from School Trust Lands, the DNRC pursues development of specific lands when they are most "ripe" for development. Rural School Trust Lands will not be considered if a proposal will lead to "leap frog" development.

Leases, licenses or easements for **conservation uses** will be achieved through a collaborative effort involving the DNRC, local communities, and public and private conservation entities. The DNRC actively solicits interest in conservation opportunities on School Trust Lands identified for development, and supports conservation uses that meet the requirement for financial return to the Trust.

Land Sales and Exchanges

Permanent disposition of School Trust Lands is appropriate under certain circumstances. DNRC's land sale and exchange process offers opportunities to replace certain School Trust Lands with other lands that have a greater value to the trust beneficiaries.

DNRC and its Trust Responsibility

Unlike most other lands accessible to the public, School Trust Lands carry a mandate to generate a reasonable financial return for the designated beneficiaries. What may be viewed as public open space by some members of a community is also viewed by the trust beneficiaries as a critical source of revenue. Proceeds generated from leases, licenses, sales, and easements are used for many purposes, from paying for textbooks and teachers' salaries to funding public service programs. Revenue generated from School Trust Lands offsets funds that would otherwise come from tax revenues paid by residents and businesses in Montana.

“...Trust lands carry a mandate to generate a reasonable financial return for the designated beneficiaries.”

The Enabling Act of 1889 (25 STAT. 679) granted the state of Montana Section 16 and 36 in each township (or other lands in lieu of those section) “for the support of common schools.” The Enabling Act also created several other smaller trusts that provide income for the state universities and other state institutions.

The Department of Natural Resources and Conservation (DNRC) has management responsibility for over **5.1 million acres** of these *School Trust Lands*. The DNRC upholds its fiduciary responsibility to secure the **greatest measure of revenue** for the trust beneficiaries, today and for future generations. The greatest immediate monetary return must be weighed against the **long-term productivity** of the land to ensure continued future returns to the Trusts. The decisions that guide DNRC's management of School Trust Lands are a balancing of long-term financial, environmental, and social concerns.

The Trust Land Beneficiaries: Public Schools · Montana Tech · State Normal School · State Reform School · Montana State University · School for the Deaf and Blind · University of Montana · State Veterans' Home · and others

DNRC Trust Lands Mission Statement:

Manage the State of Montana's trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.

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